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WESTERN HEMISPHERE

Argentina

Probe of Subversives

3.5(c) **Prominent Argentine civilian and military leaders are growing increasingly concerned about apparent links between the leftist Montoneros urban guerrillas and prominent civilian businessmen, journalists, and officials of previous governments.** [redacted]

The most important issue appears to be the investigation of alleged connections between the Montoneros and the family and associates of financier David Graiver. This case apparently has important political implications. Hardliners in the military can be expected to see in it the justification they seek for the harsh anti-guerrilla measures they advocate. Indeed, these officers may be pressing the investigation of the Graiver case for precisely that reason.

The financier, who allegedly died last year, is said to have handled the vast financial assets the Montoneros accumulated in ransom from kidnapings. A number of persons connected in one way or another with Graiver have now come under suspicion; at least a few of those implicated were minor officials of either the ousted Peronist administration or a past military government.

At a time when the military government is claiming substantial success against the guerrilla movement, the Graiver affair will undoubtedly raise new fears that only the surface has been scratched. Because it implicates individuals heretofore not known to be involved with the left, the case could set the stage for the military attempting to ferret out subversives among persons who otherwise might not have come under suspicion.

The military unity that President Videla has carefully put together in recent months does not yet appear to be in danger, but the investigation has the potential to put that consensus to an early test by emboldening right-wing officers who in recent weeks have muted their criticism [redacted]

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